

HOUSING COST REDUCTION INITIATIVE (HCRI) HOMEBUYER PROGRAM

BACKGROUND

The Housing Cost Reduction Initiative (HCRI) was created in 1989, by the Governor and the Wisconsin Legislature. The State set aside these funds to provide housing assistance to low- and moderate-income (LMI) households seeking to own or rent decent, safe, affordable housing. In 2006, the Wisconsin Department of Commerce, Division of Housing and Community Development divided the HCRI into the Housing Preservation Program (HPP) and the HCRI Homebuyer Program.

ELIGIBLE ACTIVITIES

Eligible HCRI Homebuyer activities include:

Acquisition: Grantees can help eligible homebuyers purchase affordable homes by providing downpayment, closing cost, and/or gap financing assistance.

HCRI funding cannot be used to provide assistance for development costs, improvements to dwelling units, or payments on a construction or rehabilitation loan.

ELIGIBILITY REQUIREMENTS

Eligible applicants for funding under the HCRI program include:

- ◆ The governing body of a county, city, village, or town;
- ◆ The elected governing body of a federally-recognized American Indian tribe or band in the State of Wisconsin;
- ◆ A nonstock, nonprofit corporation organized under Chapter 181;
- ◆ A for-profit corporation organized under Chapter 180;
- ◆ A cooperative organized under Chapter 185 if the articles of incorporation or bylaws of the cooperative limit the rate of dividend that may be paid on all classes of stock;
- ◆ A religious society organized under Chapter 187;
- ◆ A housing authority, including a redevelopment authority or housing and community development authority.

Households receiving assistance must have gross incomes at or below 80% of the County Median Income (CMI) adjusted for family size. Homebuyer properties must be single-family and the primary residence of the owner.

FUNDING

HCRI Homebuyer funds totaling approximately \$2.8 million are awarded through a biennial competition. Individual grants will be awarded only in amounts commensurate with the scope of the proposed program and its capacity.

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